

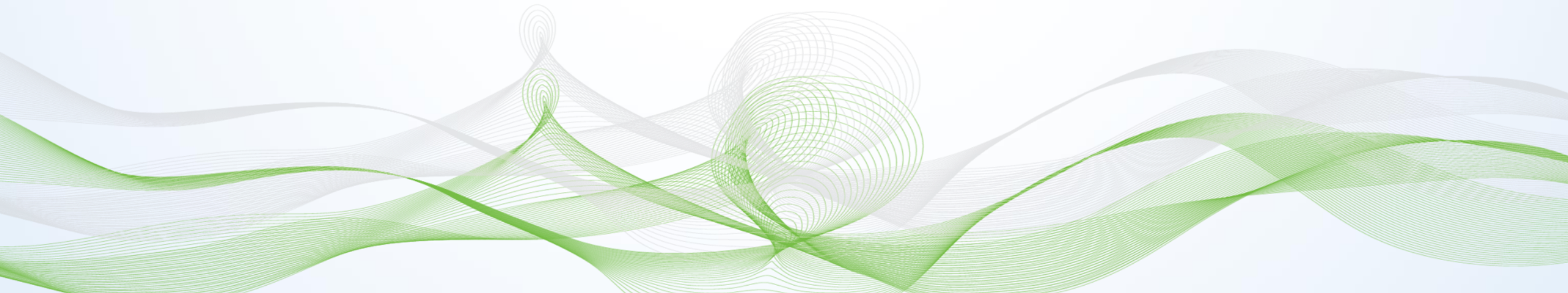


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NYSE: **UFI**

# INVESTOR PRESENTATION

**MARCH 2022**



# Cautionary Statements

## Forward-Looking Statements

Certain statements included herein contain “forward-looking statements” within the meaning of federal securities laws about the financial condition and results of operations of the Company that are based on management’s beliefs, assumptions and expectations about our future economic performance, considering the information currently available to management. An example of such forward-looking statements include, among others, guidance pertaining to our financial outlook. The words “believe,” “may,” “could,” “will,” “should,” “would,” “anticipate,” “plan,” “estimate,” “project,” “expect,” “intend,” “seek,” “strive” and words of similar import, or the negative of such words, identify or signal the presence of forward-looking statements. These statements are not statements of historical fact, and they involve risks and uncertainties that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition that we express or imply in any forward-looking statement.

Factors that could contribute to such differences include, but are not limited to: the competitive nature of the textile industry and the impact of global competition; changes in the trade regulatory environment and governmental policies and legislation; the availability, sourcing and pricing of raw materials; general domestic and international economic and industry conditions in markets where the Company competes, including economic and political factors over which the Company has no control; changes in consumer spending, customer preferences, fashion trends and end uses for products; the financial condition of the Company’s customers; the loss of a significant customer or brand partner; natural disasters, industrial accidents, power or water shortages, extreme weather conditions and other disruptions at one of our facilities; the disruption of operations, global demand, or financial performance as a result of catastrophic or extraordinary events, including epidemics or pandemics such as the recent strain of coronavirus; the success of the Company’s strategic business initiatives; the volatility of financial and credit markets; the ability to service indebtedness and fund capital expenditures and strategic business initiatives; the availability of and access to credit on reasonable terms; changes in foreign currency exchange, interest and inflation rates; fluctuations in production costs; the ability to protect intellectual property; the strength and reputation of our brands; employee relations; the ability to attract, retain and motivate key employees; the impact of climate change or environmental, health and safety regulations; and the impact of tax laws, the judicial or administrative interpretations of tax laws and/or changes in such laws or interpretations.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the impact of each such factor on the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, except as may be required by federal securities laws. The above and other risks and uncertainties are described in the Company’s most recent Annual Report on Form 10-K, and additional risks or uncertainties may be described from time to time in other reports filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

## Non-GAAP Financial Measures

Certain non-GAAP financial measures are designed to complement the financial information presented in accordance with GAAP. These non-GAAP financial measures include Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Adjusted Working Capital and Net Debt (collectively, the “non-GAAP financial measures”).

The non-GAAP financial measures are not determined in accordance with GAAP and should not be considered a substitute for performance measures determined in accordance with GAAP. The calculations of the non-GAAP financial measures are subjective, based on management’s belief as to which items should be included or excluded in order to provide the most reasonable and comparable view of the underlying operating performance of the business. The Company may, from time to time, modify the amounts used to determine its non-GAAP financial measures. We believe that these non-GAAP financial measures better reflect the Company’s underlying operations and performance and that their use, as operating performance measures, provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets, among otherwise comparable companies. In evaluating non-GAAP financial measures, investors should be aware that, in the future, we may incur expenses similar to the adjustments included herein. Our presentation of non-GAAP financial measures should not be construed as indicating that our future results will be unaffected by unusual or non-recurring items. Each of our non-GAAP financial measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results or liquidity measures as reported under GAAP. Some of these limitations are (i) it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; (ii) it does not reflect the impact of earnings or charges resulting from matters we consider not indicative of our ongoing operations; (iii) it does not reflect changes in, or cash requirements for, our working capital needs; (iv) it does not reflect the cash requirements necessary to make payments on our debt; (v) it does not reflect our future requirements for capital expenditures or contractual commitments; (vi) it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and (vii) other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, these non-GAAP financial measures should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations, including those under our outstanding debt obligations. You should compensate for these limitations by relying primarily on our GAAP results and using these measures only as supplemental information.

# Investment Thesis: A Global Sustainability Leader



1

Leading global textile manufacturer trusted by top brands to bring sustainable solutions to their products

2

Demand is accelerating for recycled yarns and flagship brand, REPREVE®, which remains the industry's most technologically-advanced solution

3

Unique manufacturing/recycling platform and textile expertise supports global growth and durable margin profile

4

Strong balance sheet supports growth investments in innovation, new technology, and bolt-on acquisitions

5

New strategic plan to reach \$1.1 billion in revenue, achieve higher gross margins, and grow Adjusted EBITDA to \$110 million by Fiscal 2025



## FOR THE GOOD OF TOMORROW





# Overview

A global textile solutions provider and one of the world's leading innovators in manufacturing synthetic and recycled yarn.



Global Employees:  
~2,900



Headquarters:  
Greensboro, NC

NYSE:  
UFI

Index Memberships:  
S&P 600  
Russell 2000

Fiscal Year:  
Sunday nearest  
June 30

Market Cap:  
Approx.  
\$400 million

Flagship Brand:  


Sales:  
FY22 Estimate  
\$800 million

Since:  
1971





# Product Flow

## Material Inputs

## Finished Good



Recycled plastics,  
petroleum, or derivatives

Resin

Base yarn  
(POY)

Textured  
yarn

Value-added  
processes

Finished yarn  
sale  
(Virgin or REPREVE)

North Carolina, USA

Asset Driven

Asia

Asset Light

Alfenas, Brazil

Asset Driven

El Salvador, Central America

Asset Driven

# Vertical Integration in North Carolina



REPREVE® BOTTLE PROCESSING CENTER

REPREVE® RECYCLING CENTER

UNIFI TECHNOLOGY CENTER

the  
process  
starts here

BALED BOTTLES

SORTED  
WASHED  
CHOPPED

REPREVE®  
FLAKE

REPREVE®  
CHIP

EXTRUDED  
MELTED

TEXTURING  
PACKAGE DYEING  
COVERING  
TWISTING  
BEAMING

REPREVE®  
NYLON

REPREVE®  
POLYESTER

REPREVE®  
STAPLE FIBER



Zero waste-to-landfill



Solar farm

**UNIFI**

# REPREVE Fiber

## STAPLE



Insulation



Bedding



Padding

## FILAMENT



Footwear



Automotive

Apparel /  
Accessories





# The REPREVE Advantage



## ■ U Trust® Verification

The U Trust verification program is a comprehensive certification program designed to provide REPREVE customers with a high level of transparency and confidence.

### ■ Physical Certification

### ● Paper Certification

### ▲ Benchmark Testing



## ■ FiberPrint™ Technology

FiberPrint technology helps customers avoid false environmental claims. This proprietary technology validates the authenticity of REPREVE products and analyzes the fabric content and composition to support third-party certifications.



## ● Third-Party Certified

Products made with REPREVE recycled materials, including post-consumer plastic bottles and pre-consumer fiber waste, are certified by third parties.



## ▲ Sustainably Indexed

REPREVE's Higg Materials Sustainability Index (MSI) Scores demonstrate that REPREVE has a lower global warming potential score compared to virgin material and competitive recycled material by 42% and 21%, respectively.

Transparent. Traceable. Trusted. Tested.



# Geographic Sales

Total Sales

\$709

\$607

\$668

\$800

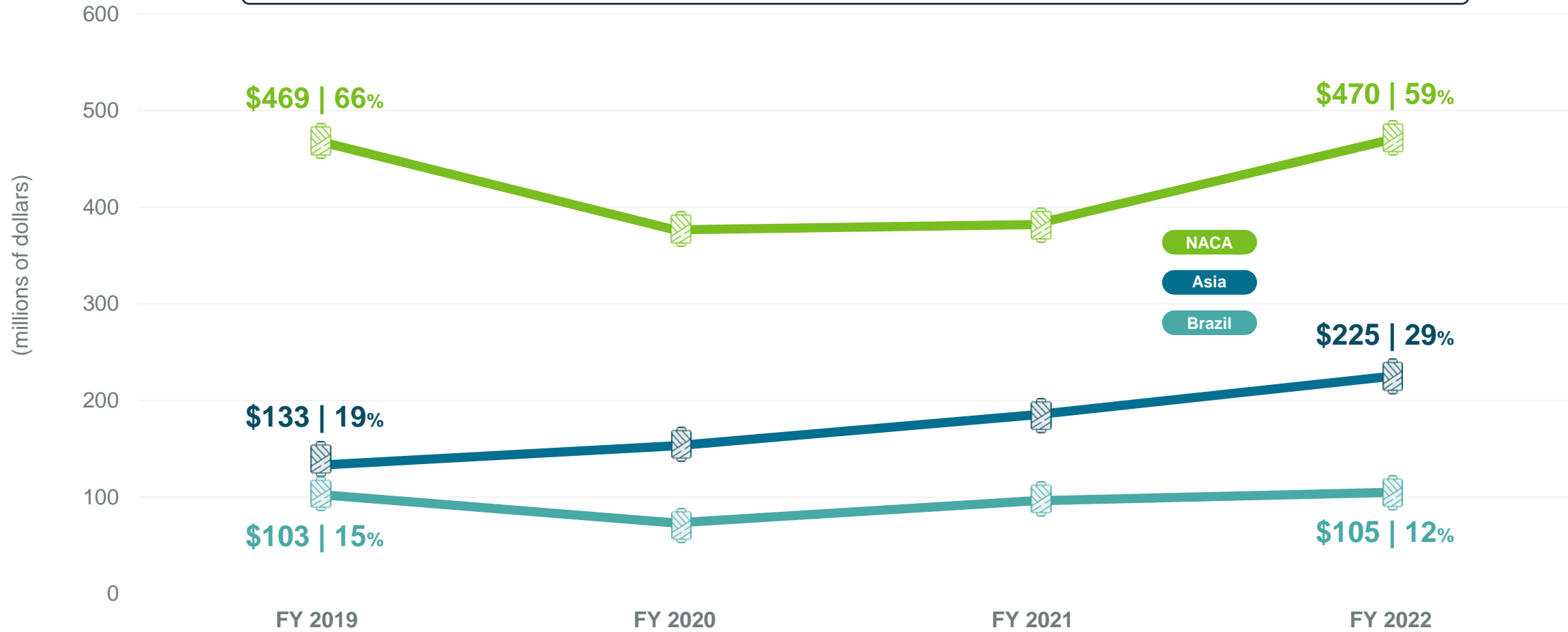
REPREVE Sales

\$180

\$186

\$246

\$302



\* This data omits All Other category revenue. FY2019 through FY2021 amounts are as reported. FY 2022 amounts are estimated. Percentages listed are for total sales for that fiscal year. NACA = North America and Central America.

# Growth Platform

1

## Accelerate Innovation

*New value-added offerings and circular capabilities*

2

## Expand REPREVE Branding

*Stronger awareness through enhanced co-branding, and B2B and B2C engagement*

4

## Grow Market Share

*Leverage competitive advantages across significant geographies  
(Americas, Brazil, Asia)*

3

## Penetrate New Markets

*Sustainable markets beyond apparel with REPREVE offerings  
(Auto, Footwear, Medical, Nonwoven)*



# Innovation Drives Margin Accretion



TruTemp365



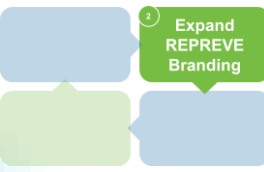
eAFK EvoCooler



Circularity



# Opportunity for REPREEVE



**TARGET**

**100%**

RECYCLED POLYESTER  
BY 2025



**50%**

RECYCLED POLYESTER & NYLON  
BY 2025



**HANES**  
*Brands Inc*

**100%**

RECYCLED POLYESTER  
BY 2025



**Walmart**

**50%**

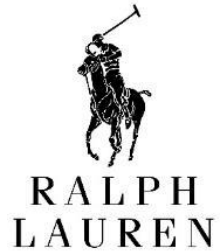
RECYCLED POLYESTER  
BY 2025



**GAP**

**60%**

RECYCLED POLYESTER  
BY 2025



**100%**

KEY MATERIALS  
175 Million Recycled Bottles by 2025



**100%**

RECYCLED POLYESTER  
BY 2024



**KOHL'S**

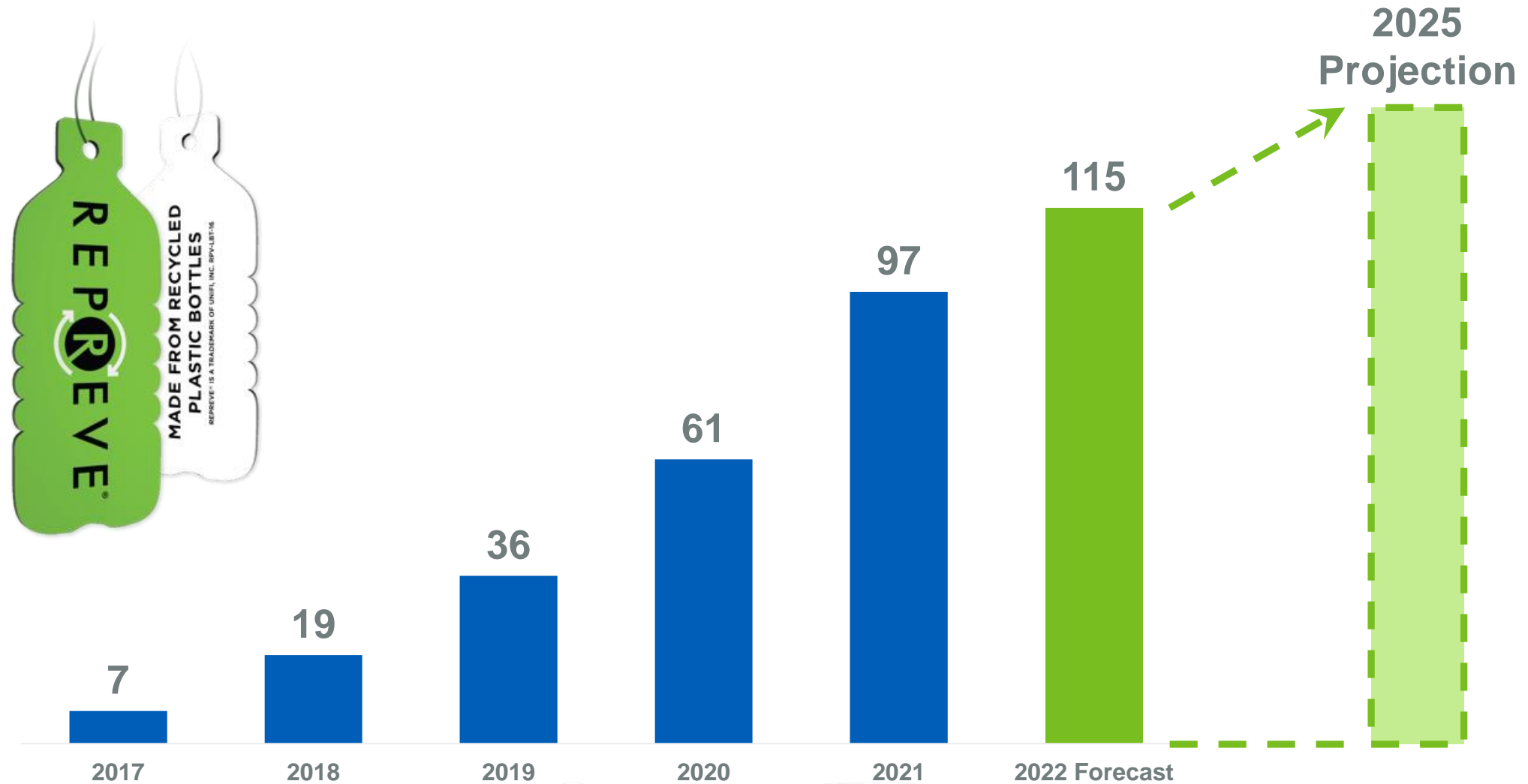
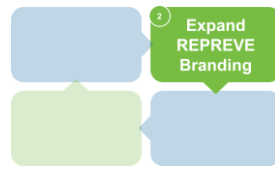
**50%**

RECYCLED POLYESTER BY 2025



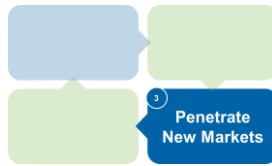
# Unifi Hangtag Shipments

Fiscal Year Shipments in Millions





# Building Sustainable Markets Beyond Apparel



## Automotive

The fabric market for headliners and seating is approximately \$250 million in the U.S.<sup>1</sup>



## Medical / PPE

The synthetic fiber market for the medical industry is approximately \$800 million in the U.S.<sup>1</sup>



## Packaging & Nonwoven

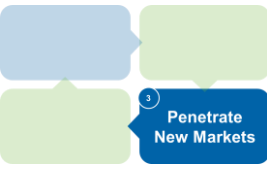
The recycled polyester flake and resin market for the nonwoven, packaging and film industries is approximately \$1.1 billion in the U.S.<sup>1</sup>



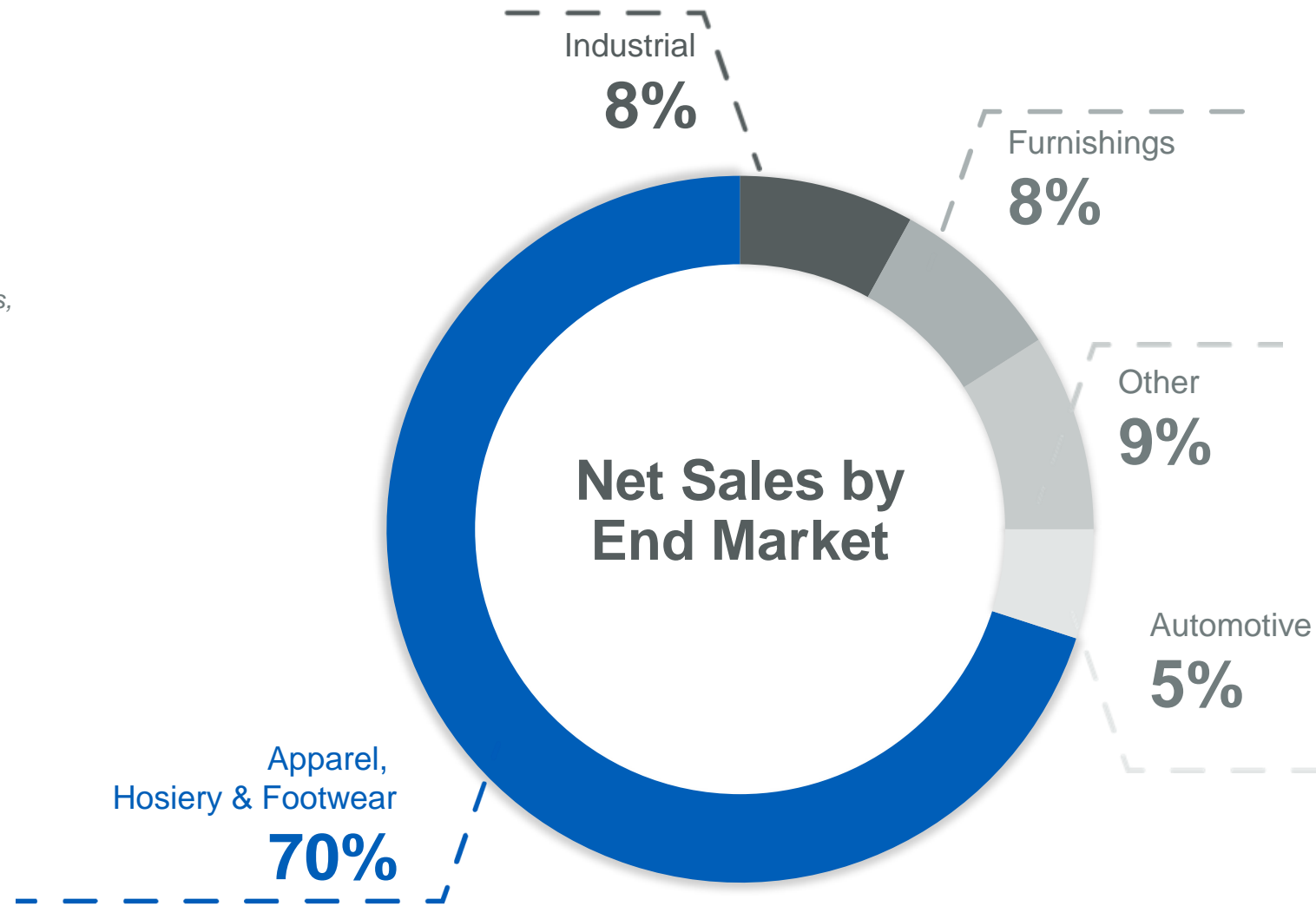
## Footwear

The fabric market for the footwear industry is approximately \$2.5 billion globally<sup>1</sup>

# Non-Apparel Sales Offer Margin Upside



*is available in all end markets,  
and is currently most  
prominent in apparel.*



# Growing Market Share

Today to 2025 Goal



## United States & Central America



From **29%** to **40%**

## Brazil



From **12%** to **18%**

## Asia



From **3%** to **8%**

*Asia Segment sales  
double in four years*

Market share data is derived from internal estimates using multiple non-public sources. "From" market share reflects estimates for calendar 2019. "To" market share reflects estimates for calendar 2025. For each of the United States, Central America and Brazil, market share is expressed regarding polyester textured yarn. For Asia, market share is expressed regarding recycled polyester staple and filament fiber.



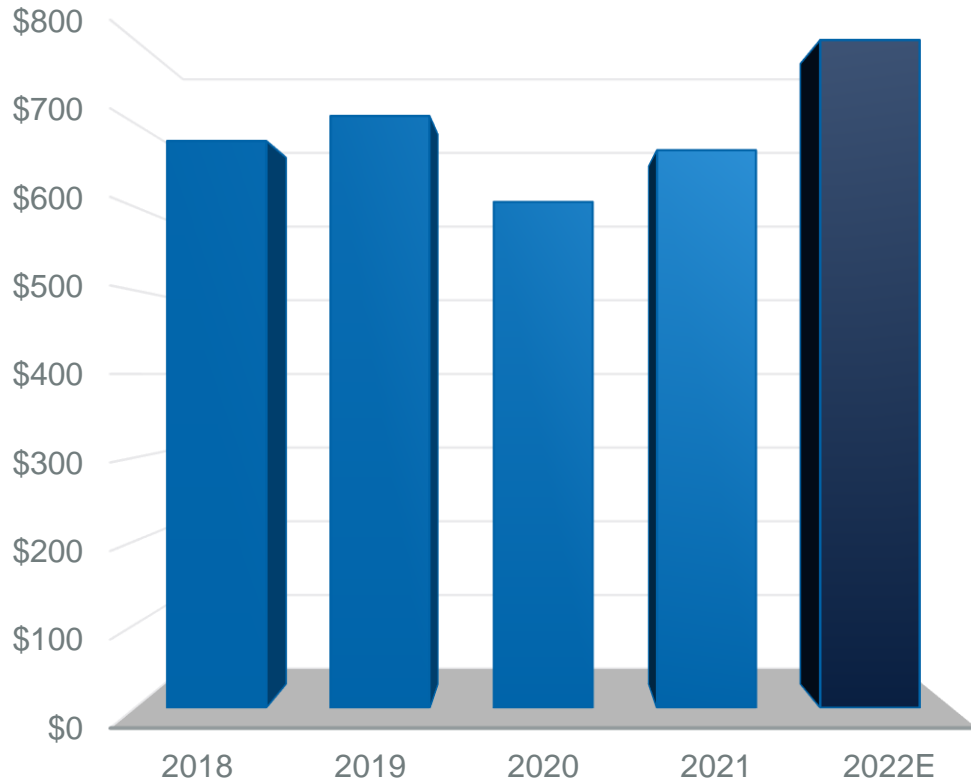


# FINANCIALS & OUTLOOK

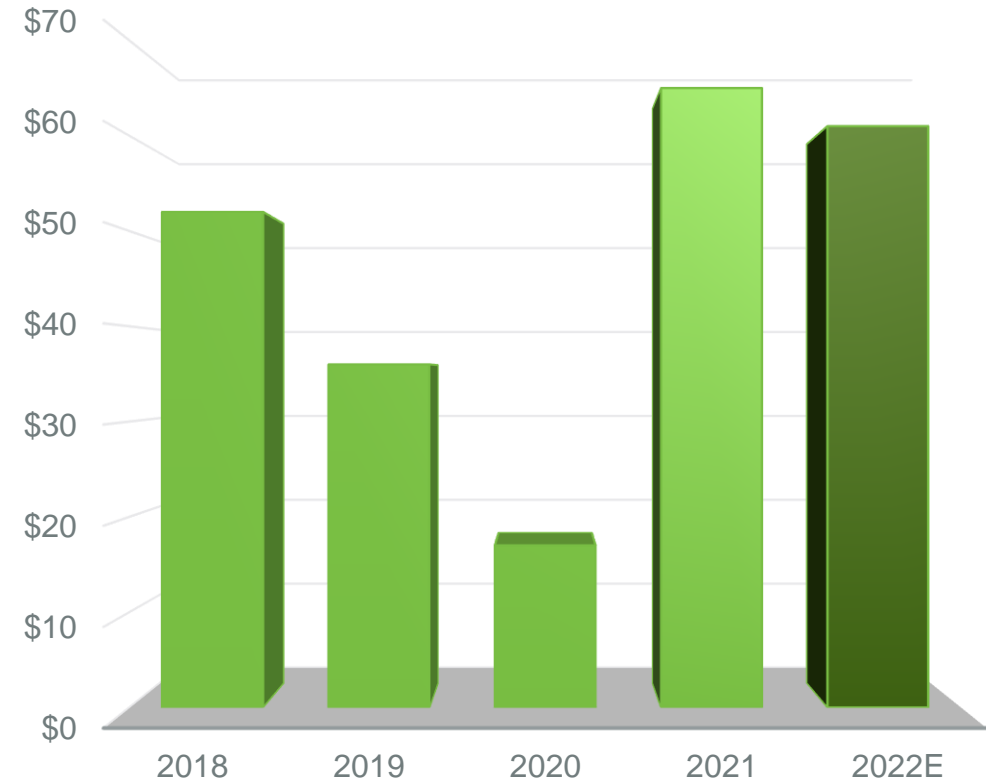
# Revenue and Profit History

(dollars in millions)

## Revenue

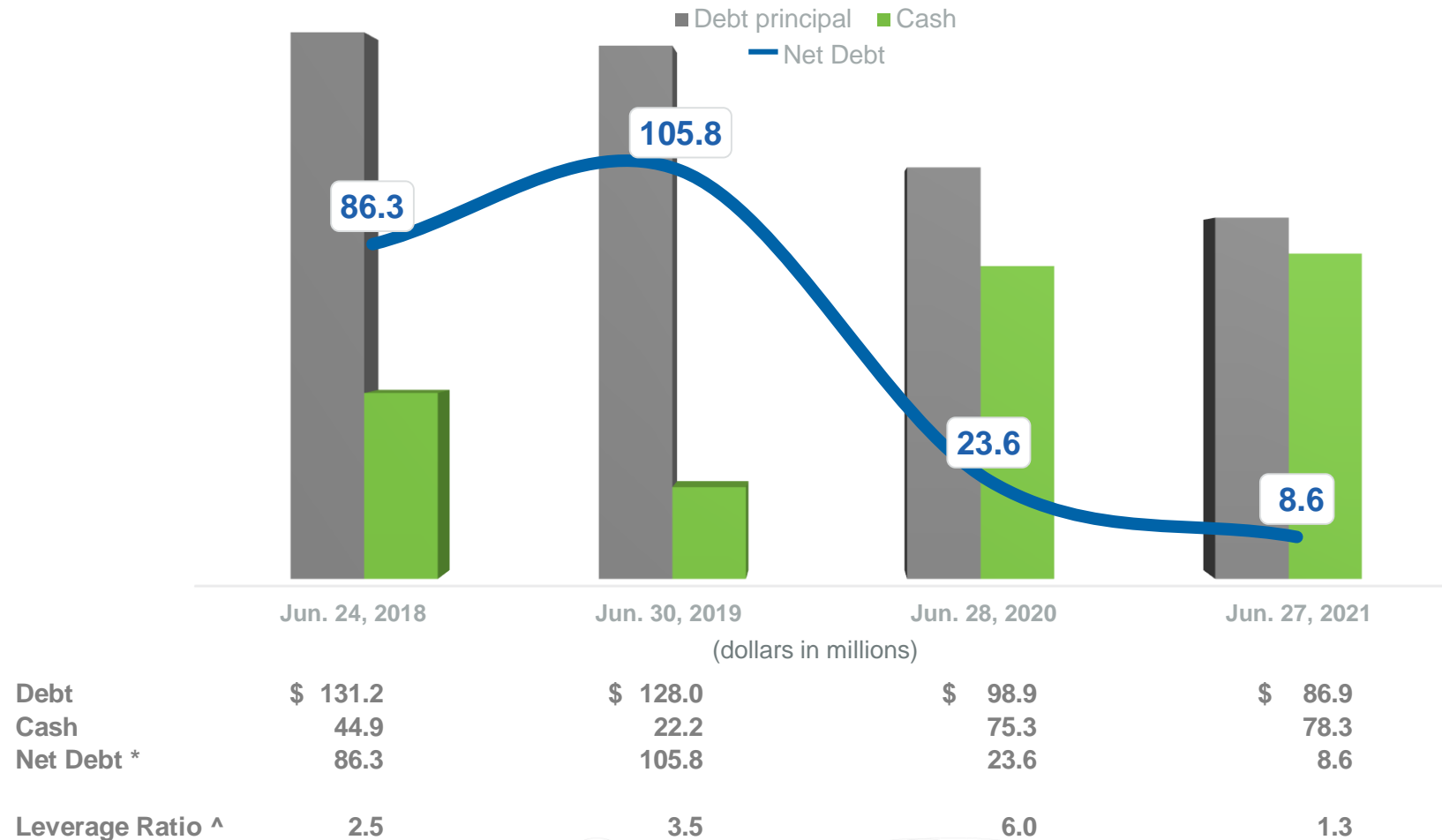


## Adjusted EBITDA\*



# Balance Sheet History

Continued balance sheet discipline and significantly improved leverage ratio generate opportunities for organic growth.

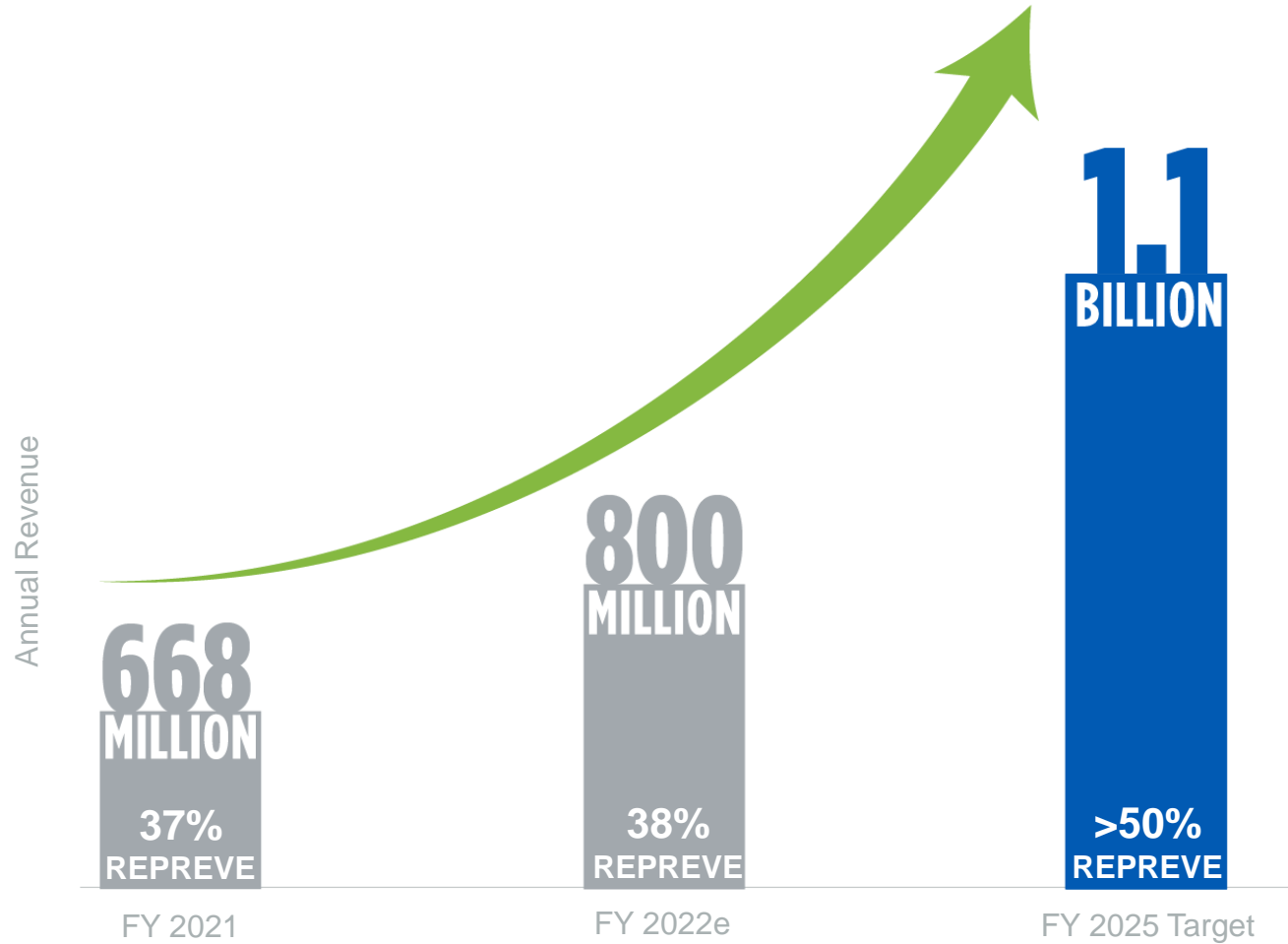


\* Non-GAAP financial measure detailed in the Appendix.

^ Calculated as trailing twelve months reported Adjusted EBITDA divided by debt principal.



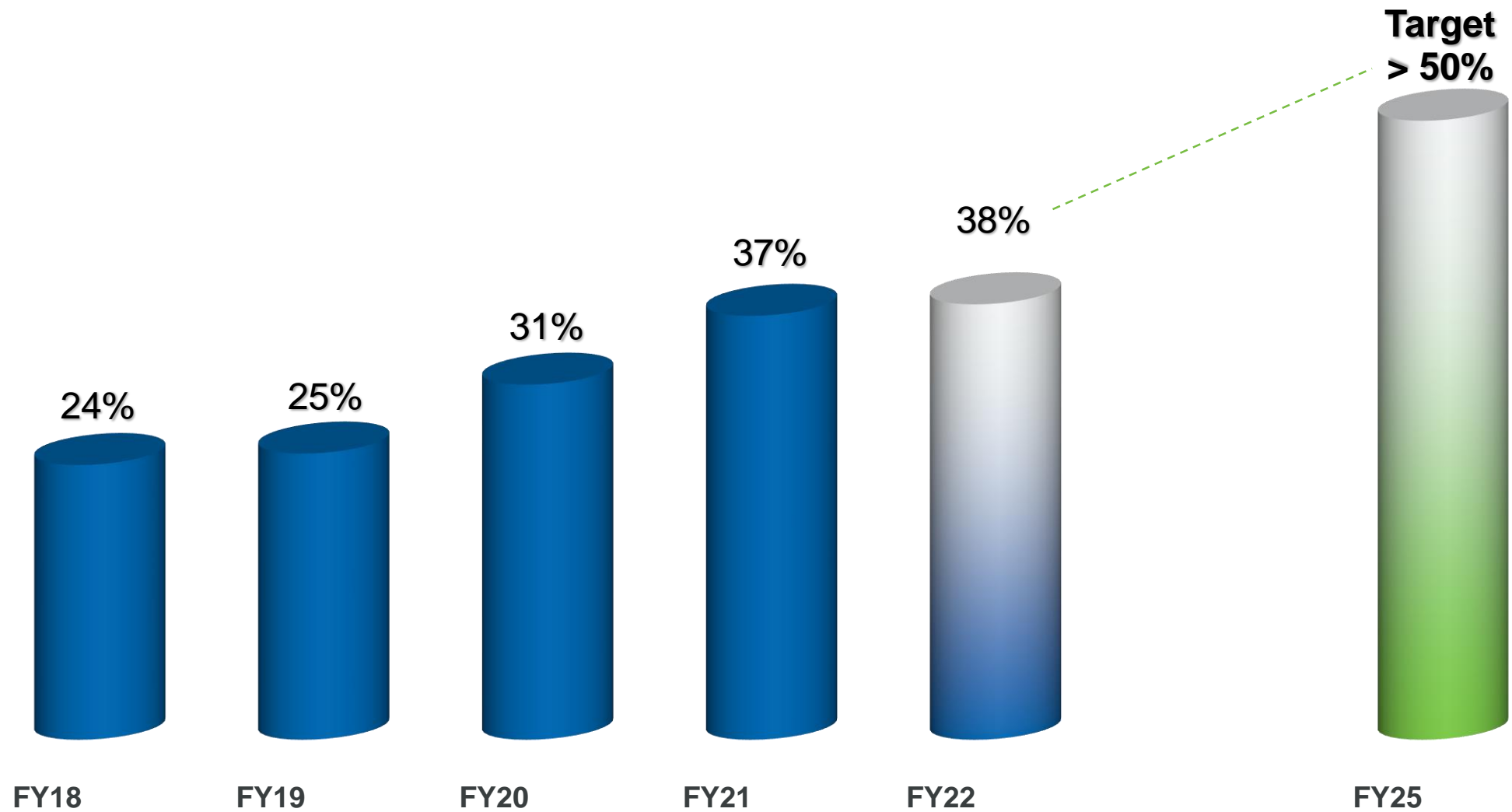
# 2025 Growth & Financial Targets



	FY'22 Estimate		FY'25 Target
Gross Margin	~11%	➔	14%-15%
Adj. EBITDA *	\$60-\$62M	➔	\$110M
Depr. & Amort.	~\$26M		\$35-\$40M
Eff. Tax Rate	40%-50%		35%-40%
CapEx	\$40-\$44M	➔	\$20-\$25M

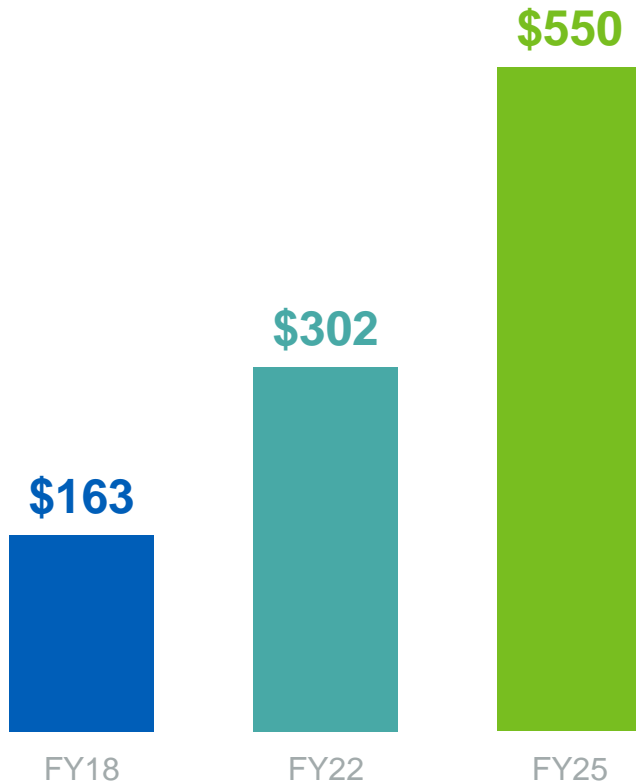


# REPREVE Fiber as a % of Revenue Target



# REPREVE Drives Growth

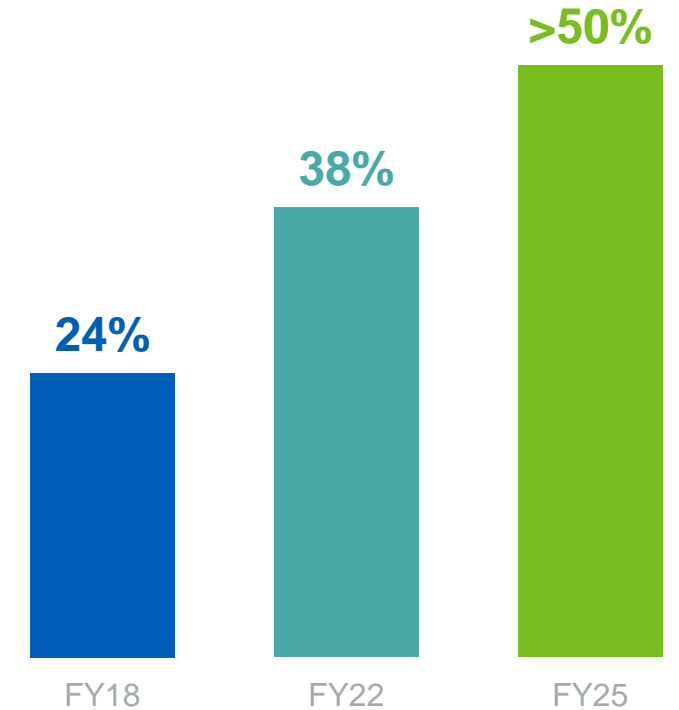
REPREVE Fiber Revenue  
(\$M)



## Current Recycled Gross Margins

Recycled products currently have higher gross margins than virgin products; often 200 to 300 more basis points<sup>1</sup>

REPREVE Fiber as a % of  
Total Revenue



Over 80% of total revenue growth between FY22 and FY25 will be REPREVE Fiber

Note: FY18 amounts are as reported; FY22 and FY25 amounts are estimated.

<sup>1</sup>On average, excluding Brazil segment, which produces limited volume of recycled products.

# Capital Allocation Priorities



## Drive Organic Growth

*eAFK EvoCooler investments*



## Share Repurchases

*Opportunistic with available program (\$40M+)*



## Balanced Leverage

*Healthy debt and leverage levels*



## Acquisitions

*Bolt-on and industry consolidation*

# Investment Thesis: A Global Sustainability Leader



1

Leading global textile manufacturer trusted by top brands to bring sustainable solutions to their products

2

Demand is accelerating for recycled yarns and flagship brand, REPREEVE®, which remains the industry's most technologically-advanced solution

3

Unique manufacturing/recycling platform and textile expertise supports global growth and durable margin profile

4

Strong balance sheet supports growth investments in innovation, new technology, and bolt-on acquisitions

5

New strategic plan to reach \$1.1 billion in revenue, achieve higher gross margins, and grow Adjusted EBITDA to \$110 million by Fiscal 2025



## FOR THE GOOD OF TOMORROW





# WORKING TODAY FOR THE GOOD OF TOMORROW



## Investor Relations

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Vice President of Finance

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Alpha IR Group

312-445-2870

[UFI@alpha-ir.com](mailto:UFI@alpha-ir.com)

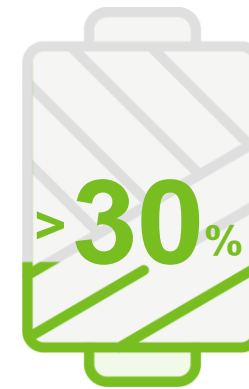
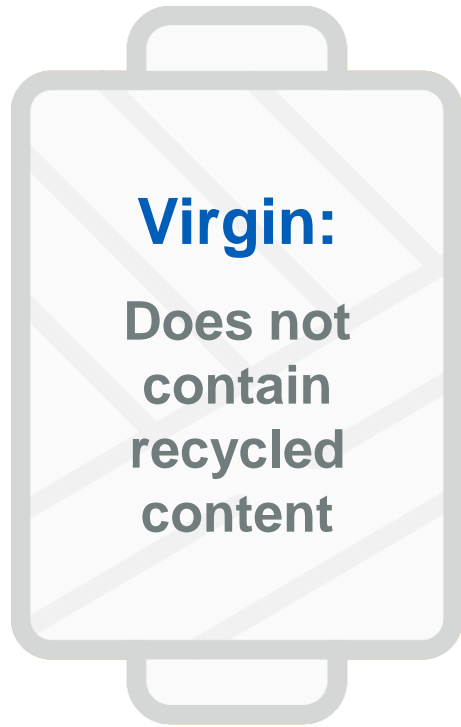




# APPENDIX

# Current Recycled vs. Virgin Composition

*Percent of Recycled Sales*



POLYESTER



ASIA



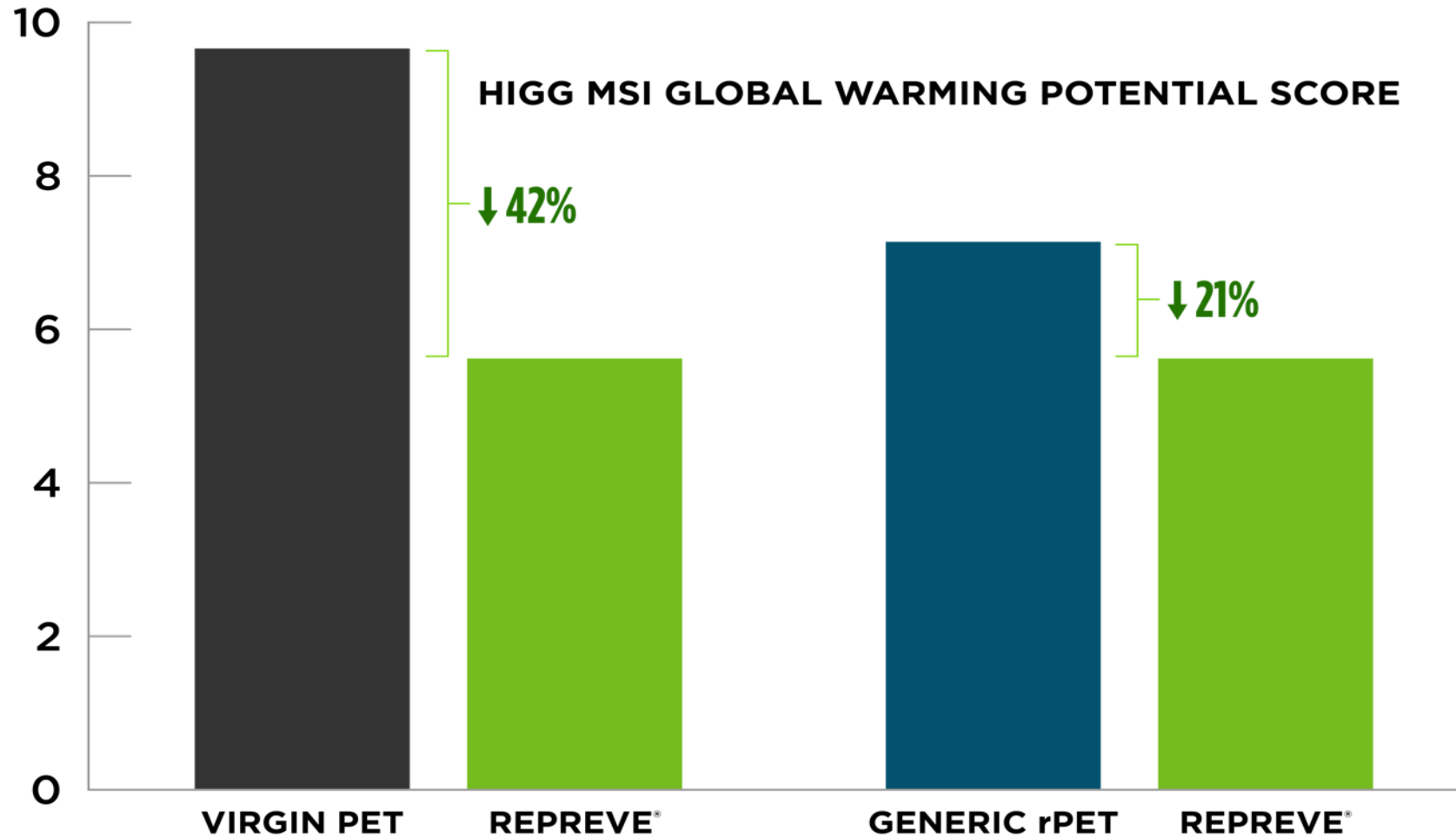
NYLON



BRAZIL

# REPREVE Environmental Impact

REPREVE's Higg Materials Sustainability Index (MSI) Scores



Based on REPREVE manufactured in the US



Powered by Higg Co



# eAFK EvoCooler Texturing Technology

Sustainability in Action



## Lower Carbon Emissions

Estimated 20% energy and emissions reduction



## Higher Efficiency

Process design creates less waste and produces more pounds per hour



## A Better Environment

More comfortable and quieter working environment

# Beyond the Bottle

## A Pathway to Circularity

- Expanding textile takeback and recycling technologies
- Collaboration in designing for circularity
- According to the 2021 Circularity Gap Report, circular economy strategies can cut global greenhouse gas emissions by 39%



REPREVE Textile Takeback, Yadkinville, NC



# Circularity in Action



**THE  
NORTH  
FACE**

Source: [thenorthface.com](https://thenorthface.com)



**girlfriend  
collective**

Source: [girlfriend.com](https://girlfriend.com)



**DESIGNTEX  
Steelcase**

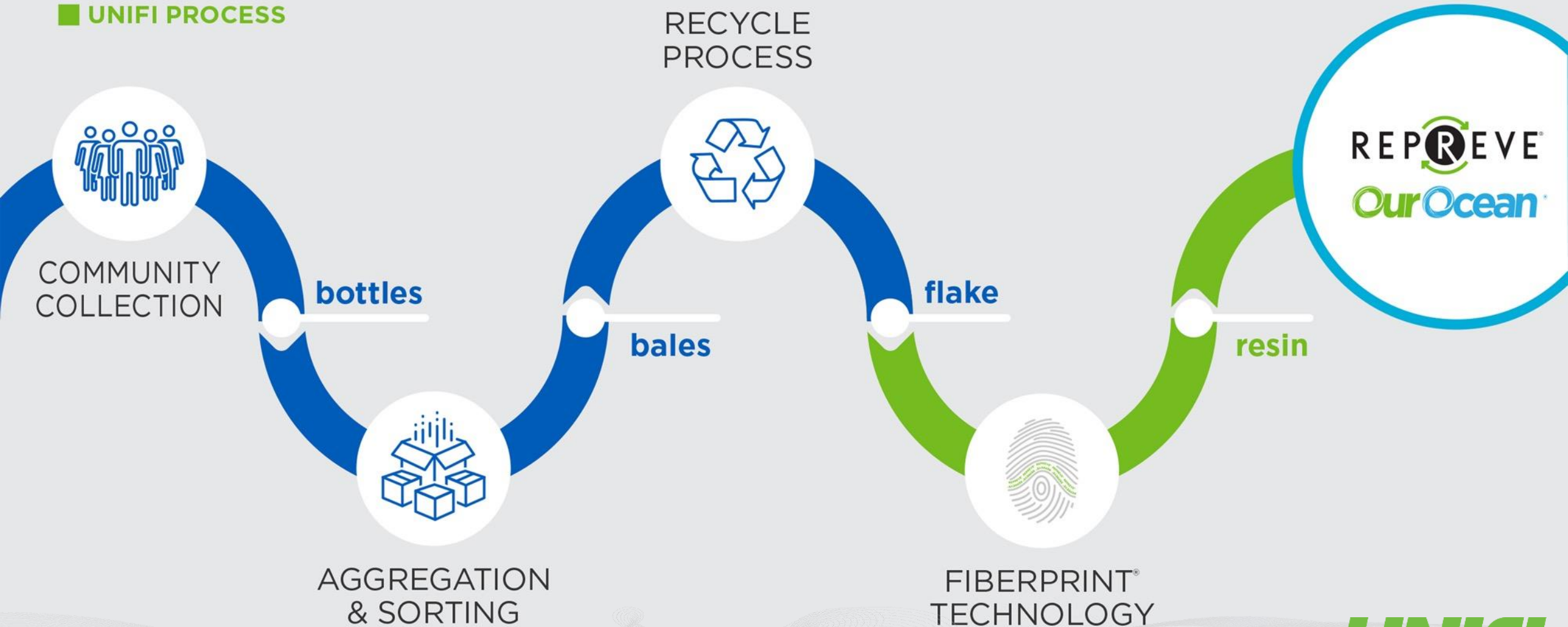
Source: [designtex.com](https://designtex.com)

**UNIFI**

# REPREVE Our Ocean® CERTIFIED SUPPLY CHAIN

■ THIRD PARTY PROCESS

■ UNIFI PROCESS





**GOAL:**

**50**

**BILLION BOTTLES**  
RECYCLED BY DEC. 2025

**50 Billion** →  
Dec. 2025 Target

**30 Billion** →  
Nov. 2021



# Historical Financials

(dollars in thousands, except per share amounts)

	June 2018	June 2019	June 2020	June 2021	
<b>Net Sales</b>	\$ 678,912	\$ 708,804	\$ 606,509	\$ 667,592	
<b>Operating Income (Loss)</b>	28,799	10,960	(8,821)	38,611	
<b>Adjusted Net Income (Loss) *</b>	24,515	3,523	(10,870)	22,660	
<b>Adjusted EPS *</b>	1.32	0.19	(0.59)	1.20	
<b>Adjusted EBITDA *</b>	52,271	36,300	16,553	64,643	
<b>Cash Provided by Operating Activities</b>	37,335	7,284	52,724	36,681	
<b>Capital Expenditures</b>	25,029	24,871	18,509	21,178	
<hr/>					
	June 24, 2018	June 30, 2019	June 28, 2020	June 27, 2021	December 26, 2021
<b>Adjusted Working Capital *</b>	\$ 152,423	\$ 180,376	\$ 135,894	\$ 162,525	\$ 183,378
<b>Net Debt *</b>	86,317	105,790	23,614	8,604	33,971

# Adjusted Net Income (Loss) & Adjusted EPS

(dollars in thousands, except per share amounts)

	June 2021			
	Pre-tax Income	Tax Impact	Net Income	Diluted EPS
GAAP results	\$ 46,347	\$ (17,274)	\$ 29,073	\$ 1.54
Recovery of non-income taxes <sup>(1)</sup>	(9,717)	3,304	(6,413)	(0.34)
Adjusted results	<u>\$ 36,630</u>	<u>\$ (13,970)</u>	<u>\$ 22,660</u>	<u>\$ 1.20</u>
Weighted average common shares outstanding				18,856

	June 2020			
	Pre-tax Loss	Tax Impact	Net Loss	Diluted EPS
GAAP results	\$ (56,265)	\$ (972)	\$ (57,237)	\$ (3.10)
Impairment of investment <sup>(2)</sup>	45,194	—	45,194	2.45
Severance <sup>(3)</sup>	1,485	(312)	1,173	0.06
Adjusted results	<u>\$ (9,586)</u>	<u>\$ (1,284)</u>	<u>\$ (10,870)</u>	<u>\$ (0.59)</u>
Weighted average common shares outstanding				18,475

	June 2019			
	Pre-tax Income	Tax Impact	Net Income	Diluted EPS
GAAP results	\$ 10,011	\$ (7,555)	\$ 2,456	\$ 0.13
Severance <sup>(3)</sup>	1,351	(284)	1,067	0.06
Adjusted results	<u>\$ 11,362</u>	<u>\$ (7,839)</u>	<u>\$ 3,523</u>	<u>\$ 0.19</u>
Weighted average common shares outstanding				18,695

	June 2018			
	Pre-tax Income	Tax Impact	Net Income	Diluted EPS
GAAP results	\$ 30,121	\$ 1,491	\$ 31,702	\$ 1.70
Tax adjustment <sup>(4)</sup>	—	(3,807)	(3,807)	(0.20)
Tax adjustment <sup>(5)</sup>	—	(3,380)	(3,380)	(0.18)
Adjusted results	<u>\$ 30,121</u>	<u>\$ (5,696)</u>	<u>\$ 24,515</u>	<u>\$ 1.32</u>
Weighted average common shares outstanding				18,637

(1) For fiscal 2021, UNIFI recorded a recovery of non-income taxes of \$9,717 related to favorable litigation results for its Brazilian operations, generating overpayments that resulted from excess social program taxes paid in prior fiscal years.

(2) For fiscal 2020, UNIFI recorded an impairment charge of \$45,194 before tax, related to the April 2020 sale of its 34% interest in Parkdale America, LLC.

(3) For fiscal 2020, UNIFI incurred certain severance costs in connection with (i) overall cost reduction efforts in the U.S. and (ii) a wind-down plan for its operations in Sri Lanka. For fiscal 2019, UNIFI incurred certain severance costs in connection with overall cost reduction efforts in the U.S.

(4) For fiscal 2018, UNIFI reversed a \$3,807 valuation allowance on certain historical NOLs in connection with a tax status change unrelated to the federal tax reform legislation signed into law in December 2017.

(5) For fiscal 2018, UNIFI reversed a \$3,380 uncertain tax position relating to certain foreign exchange income applicable to fiscal 2015.



# Adjusted EBITDA

(dollars in thousands)

	June 2018	June 2019	June 2020	June 2021
Net income (loss)	\$ 31,702	\$ 2,456	\$ (57,237)	\$ 29,073
Interest expense, net	4,375	4,786	4,057	2,720
(Benefit) provision for income taxes	(1,491)	7,555	972	17,274
Depreciation and amortization expense <sup>(1)</sup>	22,218	22,713	23,406	25,293
EBITDA	56,804	37,510	(28,802)	74,360
Equity in (earnings) loss of PAL	(4,533)	(2,561)	960	—
EBITDA excluding PAL	52,271	34,949	(27,842)	74,360
Recovery of non-income taxes <sup>(2)</sup>	—	—	—	(9,717)
Gain on sale of investment <sup>(3)</sup>	—	—	(2,284)	—
Impairment of investment <sup>(3)</sup>	—	—	45,194	—
Severance <sup>(4)</sup>	—	1,351	1,485	—
Adjusted EBITDA	\$ 52,271	\$ 36,300	\$ 16,553	\$ 64,643

(1) Within this reconciliation, depreciation and amortization expense excludes the amortization of debt issuance costs, which are reflected in interest expense, net. Within the accompanying condensed consolidated statements of cash flows, amortization of debt issuance costs is reflected in depreciation and amortization expense.

(2) For fiscal 2021, UNIFI recorded a recovery of non-income taxes of \$9,717 related to favorable litigation results for its Brazilian operations, generating overpayments that resulted from excess social program taxes paid in prior fiscal years.

(3) For fiscal 2020, UNIFI recorded an impairment charge of \$45,194 relating to the April 29, 2020 sale of its 34% interest in PAL. UNIFI's 34% share of PAL's loss subsequent to the date of the impairment charge (March 29, 2020) and through the date of transaction closing (April 29, 2020) was \$2,284 and generated a gain on sale.

(4) For fiscal 2020, UNIFI incurred certain severance costs in connection with (i) overall cost reduction efforts in the U.S. and (ii) a wind-down plan for its operations in Sri Lanka. For fiscal 2019, UNIFI incurred certain severance costs in connection with overall cost reduction efforts in the U.S.



# Adjusted Working Capital

(dollars in thousands)

	June 2018	June 2019	June 2020	June 2021	December 2021
Cash and cash equivalents	\$ 44,890	\$ 22,228	\$ 75,267	\$ 78,253	\$ 47,620
Receivables, net	86,273	88,884	53,726	94,837	92,175
Inventories	126,311	133,781	109,704	141,221	148,893
Income taxes receivable	10,291	4,373	4,033	2,392	8,162
Other current assets	6,529	16,356	11,763	12,364	15,331
Accounts payable	(48,970)	(41,796)	(25,610)	(54,259)	(54,761)
Other current liabilities	(17,720)	(16,849)	(13,689)	(31,638)	(18,260)
Income taxes payable	(1,317)	(569)	(349)	(1,625)	(7,993)
Current operating lease liabilities	—	—	(1,783)	(1,856)	(2,150)
Current portion of long-term debt	(16,996)	(15,519)	(13,563)	(16,045)	(14,971)
Working capital	\$ 189,291	\$ 190,889	\$ 199,499	\$ 223,644	\$ 214,046
Less: Cash and cash equivalents	(44,890)	(22,228)	(75,267)	(78,253)	(47,620)
Less: Income taxes receivable	(10,291)	(4,373)	(4,033)	(2,392)	(8,162)
Less: Income taxes payable	1,317	569	349	1,625	7,993
Less: Current operating lease liabilities	—	—	1,783	1,856	2,150
Less: Current portion of long-term debt	16,996	15,519	13,563	16,045	14,971
Adjusted Working Capital	\$ 152,423	\$ 180,376	\$ 135,894	\$ 162,525	\$ 183,378

# Net Debt

(dollars in thousands)

	June 2018	June 2019	June 2020	June 2021	December 2021
Long-term debt	\$ 113,553	\$ 111,541	\$ 84,607	\$ 70,336	\$ 66,257
Current portion of long-term debt	16,996	15,519	13,563	16,045	14,971
Unamortized debt issuance costs	658	958	711	476	363
Debt principal	131,207	128,018	98,881	86,857	81,591
Less: cash and cash equivalents	44,890	22,228	75,267	78,253	47,620
Net Debt	\$ 86,317	\$ 105,790	\$ 23,614	\$ 8,604	\$ 33,971